



STATE OF CONNECTICUT


OFFICE OF EARLY CHILDHOOD



Connecticut Administered State-Funded Program General Policy B-02

- ☒ Child Day Care Contractors
- ☒ Priority School Readiness Districts
- ☒ Competitive School Readiness Municipalities
- ☒ Smart Start

TO: Mayors, Superintendents, School Readiness Council Chairs/Co-Chairs and Liaisons,
Child Day Care Contractors

FROM: Harriet Feldlaufer, Bureau Chief
Early Care and Education
Office of Early Childhood (OEC) 

SUBJECT: Fees, Fee Schedule and Per-Child Contributions

This policy applies to all state funded programs listed above unless otherwise noted within the section.

I. DEFINITIONS

- A. **For School Readiness only: "Cost of care"** is the per-child actual cash cost (i.e. annual, monthly, weekly) of a School Readiness Council's (SRC) sub-grantee School Readiness program, established in consultation with the SRC.
- B. Definitions related to **"family"**:
1. **"Family"** is:
 - a. A parent(s), a parent's spouse, and their minor children who reside together.
 - 1) A parent is a person of majority age who has legally been granted "in loco parentis" status or who is a child's parent by blood, marriage or adoption.
 - 2) Additionally, **for School Readiness**, parents who pay more than half the support of their minor child(ren) living with another family, as reported to the federal Internal Revenue Service (IRS) at their last annual IRS filing, may include such child(ren) as a member of their family (i.e., family size) for determining the family's fee.
 - b. A child for whom Temporary Family Assistance (TFA) is received, living with a supervising relative for whom no TFA is provided¹. Such a child shall be considered as a family of one.
 - c. A child in foster care authorized by the Department of Children and Families. Such a child shall be considered a family of one.

2. **"In loco parentis"** is standing in the place or position of a parent. For example: a relative, legal guardian or other person with whom the child resides.
 3. **"Parent"** is the person or persons with whom a child resides who is either the child's parent(s) by blood, marriage or adoption or who acts in loco parentis.
 4. **"Residing with"** or **"reside together"** is living with, including taking meals together and sleeping in the same place.
- C. **"Fee"** or **"Family Fee"** is the amount of a family's contribution to the cost of care per child that is owed to a program.
- D. **"Fee schedule"** is the document from which the determination of a family's per child fee is made.
- E. **"Family contribution"** is the amount, based on a percentage of the family's gross annual income, determined to be a reasonable amount a family should pay toward the cost of care.
- F. Definitions related to **"income"** when calculating family contribution:
1. **"Income from employment"** is the gross earnings from salaries, wages and tips for all family members, including commissions, overtime and bonuses not otherwise excluded below in Section I.F.4.
 2. **"Income from self-employment"** is the total income from business enterprises, including farming, for all family members not otherwise excluded in the section "Income Excluded" below, remaining after the total cost of business expenses or cost of production of the income is deducted from the gross income, as reported as net profit on Schedule C of IRS Form 1040 at their previous year's income tax return.
 3. **"Income from all other sources"** is gross income from whatever source derived, not otherwise excluded in Section I.F.4. Income from all other sources includes, but is not limited to: pensions, annuities, dividends, interest (if more than \$10.00 per month), rental income, income from boarders, estate or trust income, royalties, social security or supplemental security income, veterans' benefits, unemployment compensation, workers' compensation, alimony, foster care payments, cash gifts from friends and relatives, lottery winnings and cash assistance from federal, state and municipally funded assistance programs that are not otherwise expressly excluded as income by federal or state law.
 4. **"Income excluded"** is defined as:
 - a. TFA cash assistance benefits from Department of Social Services (DSS);
 - b. Child support payments;
 - c. Income paid by the Census Bureau to low-income temporary census workers;
 - d. The value of Food Stamp benefits;
 - e. The earnings of a family member, under the age of 18, who is not the parent of a child for whom assistance is requested;

- f. Earned income credit payment, including advanced payments;
- g. Cash contributions from non-profit charitable agencies or organizations;
- h. Interest and dividends totaling less than \$600 per calendar year;
- i. Lump sum payments from unearned income sources totaling less than \$600 per calendar year;
- j. Income tax refunds;
- k. Special need payments issued by the Department on behalf of a cash assistance recipient that are paid to a vendor;
- l. Income from the sponsor of a non-citizen;
- m. Grants, loans and scholarships paid to students;
- n. Cash gifts received on an irregular basis, the aggregate of which does not exceed \$1,200 per calendar year;
- o. The value of goods and services given as in-kind income rather than cash payments;
- p. Reimbursements for expenditures that do not represent a benefit or gain to the recipient;
- q. Disaster assistance paid under the Disaster Relief Act of 1974, as amended, including the Individual and Family Grant (IFG) program, and comparable disaster assistance provided by federal, state, and local governments, and private organizations, and any interest earned on funds from this source;
- r. Payments made by the Department of Labor to meet the cost of pursuing employment;
- s. State or federal government rental subsidies;
- t. Security deposits returned by a landlord to the family;
- u. Payments made under means-tested energy assistance programs and utility subsidies;
- v. Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; and
- w. Payments received for day care services from state or federal funds.
- x. Subsidized adoption payments received from the Department of Children and Families as provided for under Section 17a-119 of the Connecticut General Statutes.

II. POLICY

- A. Full-Day, Full-Time, School-Day, Wrap-Around, Extended-Day and partial day School-Age programs shall charge fees.
- B. Part-Day, Extended-Day, Wrap-Around or School Age programs shall only charge fees for the portion of the day supported by School Readiness or Child Day Care funding.
- C. No family, regardless of the number of children participating in a state-funded program, shall be charged more than the calculated per child fee.
- D. **For School Readiness:** Proof of income is required for all families, however, families claiming to fall over 75% of the state median income may provide an estimate without documentation but must agree to pay the cost of care.
- E. **For Smart Start:** Proof of income is required for all families; however, families claiming to fall over 75% of the state median income may provide an estimate without documentation.
- F. **For Child Day Care:** Proof of income falling below 75% of the state median income is required upon enrollment in order to determine eligibility.
- G. Programs shall notify parents of any upcoming change 30 days prior to the date the change is to take place and maintain proof of such notification.
- H. SRC sub-grantees, Child Day Care Contractors and/or Child Day Care Subcontractor shall establish written fee policies and disseminate these policies to families and staff, at least in their respective handbooks. **For School Readiness**, such policies shall be based on the SRC's policy.

At a minimum these policies shall address:

- 1. How family contribution is determined;
- 2. How fees are assessed and collected;
- 3. How income, family size, DSS cash assistance status and any other eligibility factors are determined and verified;
- 4. How confidentiality of family information is maintained; and
- 5. Procedures addressing other issues, including but not be limited to, fee forgiveness, failure to pay, any process for the temporary reduction in assessed fees and the process for appealing a fee determination.

For School Readiness

- I. Part-Day programs are not required to charge fees and, at the discretion of the School Readiness Council, the requirement may be waived.
- J. SRC sub-grantees shall annually publish their cost of care for School Readiness supported spaces and shall file their published rate with their SRC.
- K. All fees from families received by SRC sub-grantees shall be used to support the School Readiness program in the fiscal year they are collected. Programs may set up a separate non-interest bearing account to hold parent fees collected by the School Readiness program. Fees

from May and June can be used in the next fiscal year. Requests to carry over additional fees must be approved by the local SRC and in turn the SRC must seek the permission of the OEC.

- L. Each sub-grantee must provide an expenditure report to the SRC at least twice annually on grant award, family fees, and Care 4 Kids revenue in a manner determined by the SRC.

For Smart Start

- M. A local or regional board of education may choose to charge a family fee. If a family fee is charged the same sliding fee scale used for School Readiness must be used (see GP-15-01 for sliding fee scale).
- N. All fees from families received by Smart Start grantees shall be used to support the Smart Start program in the fiscal year they are collected. Programs may set up a separate non-interest bearing account to hold parent fees collected by the Smart Start program. Fees from May and June can be used in the next fiscal year. Requests to carry over additional fees must be approved by the OEC.

III. RESPONSIBILITIES OF CHILD DAY CARE CONTRACTORS, SCHOOL READINESS COUNCILS (SRCs) AND SMART START GRANTEES

- A. The SRC and Child Day Care Contractors with sub-grantees shall ensure that the fee policy is adhered to by its sub-grantees.
- B. The SRC and Child Day Care Contractors shall require sub-grantees to submit a report on actual fee income and review submission monthly.
- C. The SRC and Child Day Care Contractors shall require the submission of accurate data on fees collected each month using the report provided by OEC for pertinent funding source and shall review that data for consistency with established policy.

For School Readiness Councils

- D. The SRC shall approve or reject SRC sub-grantee programs' requests regarding the waiver of fees to require fees for part-day program options.
- E. The SRC shall establish written policies and procedures for the implementation of this fee policy. Annually, an updated copy of the fee policies and procedures, approved by the SRC and signed by the mayor and superintendent, must be attached to the local School Readiness application.

For Smart Start Grantees

- E. The Board of Education shall decide if a family fee will be collected and therefore, the sliding fee scale be implemented.
- F. The Board of Education shall establish written policies and procedures for the implementation of this fee policy and copy be on file with the Office of Early Childhood.
- G. The Smart Start grantee shall submit accurate data on fees collected each month using a report provided by OEC.

For further information concerning this GENERAL POLICY please contact:

CHILD DAY CARE	SCHOOL READINESS	STATE HEAD START and SMART START
Michelle Levy Program Manager 860-713-6756 Michelle.Levy@ct.gov	Gerri Rowell Program Manager 860-713-6774 Gerri.Rowell@ct.gov	Andrea Brinnel Program Manager 860-713-6771 Andrea.Brinnel@ct.gov

ADDENDUM
ACCESS TO THE CHILD CARE ASSISTANCE PROGRAM Care 4 Kids

The definitions, policies and procedures included in this ADDENDUM apply only to children and families eligible to participate in Care 4 Kids, the DSS Child Care Assistance Program (CCAP).

I. DEFINITIONS

- A. "Child care subsidy" is the payment made on behalf of a family to a program by the Care 4 Kids program.
- B. "Family fee" is the term used by Care 4 Kids to define the amount a family must pay toward the cost of providing child care.
- C. "Child support" refers to the financial obligation the non-custodial parent has toward his or her child(ren).
- D. "Weekly provider reimbursement rate" is the maximum weekly amount that the Care 4 Kids program pays a program. This amount is based on the number of hours that child care is provided, the age of the child, the type of provider and the region of the state.
- E. "Parent-Provider Agreement (PPA)" is the Care 4 Kids form that formalizes the child care arrangement between the parent and the provider.

II. POLICIES

- A. SRC's sub-grantee School Readiness part-time programs and Smart Start programs that do not charge fees are ineligible to participate in the Care 4 Kids program.
- B. No family, regardless of the number of children participating in a program, shall be charged more than the fee determined by the Care 4 Kids program.
- C. Income determinations made by the Care 4 Kids program shall be the income determination for the program.
- D. Family fee determined by the Care 4 Kids program shall be the family contribution determination for the program.
- E. The weekly charge to be entered in a PPA for a child participating in a program shall be the weekly provider reimbursement rate.

III. RESPONSIBILITIES OF SCHOOL READINESS COUNCILS (SRCs)

- A. SRCs shall notify parents of any upcoming change 30 days prior to the date the change is to take place.
- B. The SRC shall encourage its sub-grantees to advise eligible families to participate in Care 4 Kids.
- C. Applying for child support is no longer a requirement for the Care4Kids subsidy.

- D. The SRC shall require its sub-grantees monthly to submit a report on actual Care 4 Kids income and review submission.
- E. The SRC shall require the submission of accurate data on Care 4 Kids payments earned each month on the Monthly Service Delivery Report and shall review that data for consistency with established policy.

IV. RESPONSIBILITIES OF CHILD DAY CARE CONTRACTORS

- A. Child Day Care Contractors shall ensure that parents are notified of any upcoming change 30 days prior to the date the change is to take place.
- B. Child Day Care Contractor shall advise eligible families, or shall require its sub-grantees to advise eligible families, to participate in Care 4 Kids.
- C. Child Day Care Contractors shall submit a report on actual Care 4 Kids income (Program Status Report) and shall review all sub-grantee reports for accuracy.

V. SMART START: RESPONSIBILITIES OF LOCAL OR REGIONAL BOARDS OF EDUCATION

- A. Local or regional boards of education participating in Smart Start that choose to charge a family fee may advise families about participation in Care 4 Kids.